

Offers Employer Incentives for Transit that Reduces Global Warming

Washington, DC – Rep. Earl Blumenauer (D-Ore.) today introduced the “Green Routes to Work Act of 2009,” which would promote low-carbon transportation options to help commuters save money on gas. The bill provides tax credits for both employers and individuals to use low carbon commuting options. This will help reduce our dependence on oil and output of global warming pollution by encouraging active and environmentally friendly methods of commuting like biking, carpooling, walking, riding public transit, and telecommuting.

“With global warming on the rise, and Americans’ waistlines ever expanding, it is time to level the playing field for transportation options that are clean, healthy, and save people money at the pump,” **said Rep. Blumenauer**. “For too long, the federal government has supported commuters who drove to work but has not helped those who use other methods of transportation. The Green Routes to Work Act addresses this disparity and extends employer incentives to options like biking, walking, and telecommuting. Expanding the use of low-carbon transit is a quick, smart, and easy way to improve air quality, cut down on time spent idling in traffic, and save billions in gas costs.”

On average, transportation costs are now Americans’ second largest expense after housing. Bicycle commuters annually save an average of \$1,825 in auto-related costs, conserve 145 gallons of gasoline, and avoid 50 hours of gridlock traffic. Providing incentives for low-carbon transit makes sense from an environmental and public health perspective.

Background

Here is information on how the bill would provide incentives for low carbon and transit alternatives:

- **Transit Equity:** Increases the uniform dollar cap for all transportation fringe benefits to \$230 a month
- **Clarification of Federal Employee Benefits:** Encourages the federal government to lead by example by ensuring that federal transportation fringe benefits are available to federal employees
- **Self Employed Extension of Transportation Fringe Benefits:** Allows individuals who are self-employed to receive transit fringe benefits for commuting done for work purposes

- **Parking Cashout:** Requires employers who offer a parking transportation fringe benefit to employees to also offer employees the option to take cash instead, reducing the incentive to drive instead of take alternative transportation.
- **VanPool Credit:** Creates a 10% tax credit for expenditures on vanpool vehicles and services, which will provide an incentive for employers and employees to share their commutes.
- **Employer Credit for Providing Tax-free Transit Passes to Employees:** Gives employers an up to 10% tax credit for the money they provide to employees as part of the transportation fringe benefits program.
- **Expenditures to Provide Bicycle Access:** Encourages small businesses to provide for the growing interest in bicycle commuting by providing companies with a tax credit worth up to 50% of any expenditures used to make their business bike accessible.
- **MultiModal Transportation:** Allows individuals to combine their transportation fringe benefits as long as they fall under the \$230 cap (for example, individuals can use the \$40 bike credit and still collect up to \$210 of their public transit fringe benefit). This section recognizes that people rarely use one type of transportation only to commute: they use a combination of modes depending on the weather, their needs for the day and other factors. It also increases the amount which individuals can receive under the bike commuter benefit to \$40.
- **Deductions for Expenditures to Remove Barriers to Bicycle Access:** Allows individuals and business owners to deduct the costs of bicycle access improvements.
- **Teleworking Tax Credit:** Creates a tax credit for qualified teleworking expenses for employers and employees (up to \$400 per individual teleworker). Four to six million workers currently telecommute at least once a week, saving an estimated 840 million gallons of fuel.

Blumenauer Introduces Bill to Promote Low-Carbon, Low-Cost Commuting Options

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